

**Episode Title:** The Seed of Success: Growing Your Farm's Future

**Topic:** Challenges of Farm Succession Planning and the Effect on Mental Health and Well-being Among Farm Families

**Summary:** In this episode, we tackle the topic of succession planning for family farms. Our guest, Joy Kirkpatrick, a seasoned professional in farm management and succession planning, shares expert advice on how to navigate the often-complex process of transferring farm ownership and leadership to the next generation. We discuss strategies for building the skills of successors, planning what is next for the owner generation, the importance of clear communication, and how to address the financial, legal, and emotional aspects of succession. This episode will offer valuable insights to help you plan ahead and make informed decisions about the future of your farm.

**Expert:** Joy Kirkpatrick

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#### Episode Quote:

*“Farm succession planning is really a combination of thinking about transferring the tangible asset— the land, the machinery, the livestock. But at the same time thinking about how do you prepare that next generation for taking over a lot of those responsibilities in decision making?”*

— Joy Kirkpatrick, Farm Succession Outreach Specialist, University of Wisconsin Madison Division of Extension

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## Transcript

### 00:10 E Ritchie

Welcome to the *FarmSafe* Podcast brought to you by the Great Plains Center for Agricultural Health. In the blink of an eye, an injury can change your life and your farm forever. During each episode, we share first-hand stories and real-life tips for making safer and healthier decisions while on the farm.

In today's episode, we're addressing a topic that's not only vital to the future of farming but also has a deep impact on the mental health and wellbeing of farmers: **succession planning**.

### 00:44 E Ritchie

Planning for the next generation to take over a family farm can be a daunting and emotional process. From financial concerns to family dynamics, and the sheer weight of ensuring the farm continues, the stress of succession planning can take its toll. It's a topic that can feel overwhelming, but it's essential for the longevity of the farm—and for the wellbeing of everyone involved.

In this episode, we'll explore the importance of succession planning, how it impacts farmers' mental health, and why it's crucial to address these stressors early. We'll also share strategies for managing the emotional and mental aspects of succession planning, and how to make the process more manageable for both the farm's future and your peace of mind.

We received permission to share some of the conversation from a panel discussion on the 2023 film, *SIL0*.

In this short clip, we will hear a multi-generational farmer's experience with succession planning. While this farmer's transition into the farm was relatively smooth, he shares some of the challenges of his peers that are common among so many farm families.

### 02:00 Speaker 1

We've been on this this land since 1780-1786 started building in 1788, but my family was never one to pass down the farm. It was always we founded the area, find a way to give back to the community, build which you must and then over time if you wanted a farm then you just bought a piece of the family's farm, and you started on your own. And luckily for me, I'm carrying on a legacy of my family being founders and pioneers. I'm happy that I chose this industry to go into because I really feel connection to the land that we have here, but I've never felt this undue pressure from my dad to say you need to carry on this legacy because when I came back to the farm it was I had to buy it for my grandmother and then he had his farm.

### 02:40 Speaker 1

We were able to merge the two together and build something that's hopefully more than just a farm but will be a better legacy in agriculture so. Knowing that though and knowing what some of my peers are going through and how they're transitioning the farms to the younger generation, how grandpa is still involved and dad's never had his shot, and now people that are my age are having kids and they're third in line. There's a lot of pressure and a lot of stress, and in the financial pressures have never completely gone away.

**03:05 Speaker 1**

The macroeconomics of production in this country are they're so vast, it's hard to really understand it. You can go to school, and you can learn about the macroeconomics of AG and the, but you don't. You can't have the real connection and understanding of how it all works in sync with one another, and I think that's one thing that's really weighing on people's minds is how do I take over this farm that maybe failing that you don't know is failing and make it profitable. Knowing what we've learned about the last 20 or 30 years in the industry.

**03:35 E Ritchie**

Transitioning a farm from one generation to the next can be a complex process, filled with emotional, financial, and legal challenges. To dive deeper into this crucial topic, I'm excited to welcome our expert guest today, Joy Kirkpatrick. Together, we'll explore the stressors of succession planning and provide practical advice for thinking about building skills of the successor, whether it is a family member or not.

**04:05 J Kirkpatrick**

My name is Joy Kirkpatrick and my title with the University of Wisconsin Madison Division of Extension is Farm Succession Outreach Specialist. And what I do is develop educational programs, create content curriculum and content and materials around farm succession planning and also get a chance sometimes to work one-on-one with farmers or farm families or farm businesses as they are working through some of the planning that they do around farm succession.

**04:43 E Ritchie**

Can you explain what farm succession planning and agriculture involves, and why it's so crucial for farming operations.

**04:51 J Kirkpatrick**

Farm succession planning is really a combination of thinking about transferring the tangible assets, right. The land, the machinery, the livestock. But at the same time thinking about how do you prepare that next generation for taking over a lot of those responsibilities in decision making and that other piece is preparing that owner generation to feel confident and comfortable in stepping back from that bigger role.

**05:24 J Kirkpatrick**

In general, when people think about succession planning, they are very focused on the asset transfer, making sure that they don't pay any more taxes than they need to, maybe some estate planning. But because people focus so much on that, the other two pieces sometimes get a little set to the side and I feel like that's where a lot of the emotional pieces in the conflict can come up.

**05:49 E Ritchie**

At what stage should farmers begin thinking about succession planning and what are the key milestones in that process?

**05:58 J Kirkpatrick**

In a perfect world it would be as soon as you kind of get started in a business and feel like it's going to be something that's gonna be continuing. You wanna start thinking about what that looks like. If there's someone that's interested or you're trying to bring someone in, whether they're related or not. I think that's a big thing too, people think about non-family successors and that that is like they think it's a whole different process. Well, it's not. Some of the milestones would be maybe the successor starting as an employee for a few

years and thinking about the reasons for starting out as an employee would be making sure that the successor feels like this is the right career for them. The owner is kind of thinking about is this gonna work?

**06:44 J Kirkpatrick**

If they are related and maybe thinking about that traditional parent child relationship, we start to having some questions about can you set aside that parent child communication and pattern and work together as an employer employee. And then eventually thinking about can you work together as partners, right?

**07:04 J Kirkpatrick**

So, if you think about that separating family from business when it's one unit of a family, right? Parents and children and those children are maybe under 18, it might be easy to really make family decisions and business decisions that work really well together. But as soon as you bring another adult or a successor to the business and they maybe have their own family unit, then you really need to kind of separate out those things. I think that that is one piece that we really emphasize with those milestones is can you work together as business relationships and then still have that family relationship when that's appropriate as well. Hopefully thinking about some ways that they can take responsibility of certain parts of the business and have that opportunity to fail in some ways, right? But not giving them all of it all at once, so that those failures really put the business at risk, you give them opportunities to build their skills in small ways.

**08:04 E Ritchie**

In what role does mental and physical health of farm owners play in succession planning?

**08:10 J Kirkpatrick**

So, physical health especially can fast forward the process right. A lot of lot of times we'll start working with families who maybe had a health scare with some of the key people in the farm, whether it be the owner generation or the next generation who's doing a lot of work maybe at that point. Labor a lot of times will get transferred from the owner generation to a successor because they just can't physically do that. The other thing I see that gets transferred fairly quickly is if they have employees a lot of times the owner generation would prefer that the successor manage the employees.

**08:45 J Kirkpatrick**

The last thing that we see a lot of times that gets transferred is maybe financial decisions or financial record keeping components of the business and we can look at that at two different ways. The cynical way would be, oh, they just want to keep control of the financial component because they don't want that next generation spending in a way that puts the farm at risk. I think that it's much more nuanced than that, being the only reason. One reason they might be a little bit, want to control the financial is that if they are really dependent on those assets for their retirement, they see that as maybe their retirement assets. So, they don't want those put at risk as they get closer or as they age, then it may be a risk tolerance piece.

**09:26 J Kirkpatrick**

But it also may be this idea that they can't physically do all of the things that need to be done, but this is one place where they can still very much contribute to the business. So, I think that we might want to look at it a little bit more nuanced than that just want to keep control of that checkbook. But that could be a place where they can feel like they're still substantially contributing to the management of the farm.

**09:48 J Kirkpatrick**

On the mental health part of it. I think that farming is stressful and you have to be so optimistic to be a farmer, right? And I think that sometimes the wear of all of those responsibilities you can really see that piece of it that maybe that owner generation just doesn't want that responsibility anymore. They may want to still contribute. I always joke and say the farmers never retire. I'm sure you've seen

as well, and so I used to do a retirement training for farmers, but I did not call it retirement for farmers. I called it “Gears for your later farming years.”

**10:25 J Kirkpatrick**

And one of the guys in there, he said, “Here's what I want to I want. I want to do what I want to do and but only when I want to do it,” right. So, a lot of people like to rake hay up here in Wisconsin. That's something that they would love to continue doing. But not all the time, right. They don't want that responsibility all the time.

**10:43 J Kirkpatrick**

So, I think thinking about what might be mentally, you know, like stressful. I think a lot of people like I said, definitely shift the physical pieces off to the next generation when they can. But I think that also thinking about what's mentally wearing on them and maybe thinking about strategies to either make that better for the farm in general. You don't want to shift those kinds of things off to your next generation. That's the other piece, it's like some people don't want their kids to farm because they don't want them to have to work as hard as they did.

**11:14 J Kirkpatrick**

That's a common thing that I hear, but let's think about is there a way that you could maybe make it so that nobody has to be as stressed out about that particular thing? Or is it something that you do want to move on to that next generation? So, I think there's lots of things that play into the why. And physical and mental health are big factors in that.

**11:37 E Ritchie**

And what advice would you give to farmers who are just beginning to think about succession planning?

**11:43 J Kirkpatrick**

I would suggest that if they can start thinking about, how would they describe their farm. We did some research here in Wisconsin in late 2022 and early 2023 where we interviewed the ag service professionals who work in the succession planning area so attorneys, accountants, lenders, farm business instructors, all those people who help farms with this planning. And we asked them, if there was a farmer that was successful in that transition piece, what was it that they... like, were there any commonalities for those farms? And the things that they came up with was that there was really good communication. So if there isn't good communication among the people that you think are going to be a part of this business, how can you prove that and I would say that if that means that you work with someone who helps you learn how to better communicate with each other, whether that's a therapist or a counselor or someone that you know can help with helping you have business meetings and how do you start talking about the business in a way that that you can have an agenda and those sorts of things.

**12:57 J Kirkpatrick**

The other piece that we talk a lot about is making sure that you're analyzing the financial profitability and thinking about how that business is running, I think that is the key things that I see that maybe kind of snag farms is that they can't talk to each other. Or if the farm is financially kind of marginal in its profitability or its ability to bring on another person. Those can really slow down any sort of process, so if there's a way that you can think about strategies to improve your rate of return.

**13:33 J Kirkpatrick**

Think about are there ways that you know, I hate to say it, but you know, off farm employment is a strategy, and depending on the age of the owner, generation and all kinds of factors, the question I ask sometimes is does it have to be the successor generation that has the off firm job or could it be that owner generation getting an off-farm job but still being able to be there as a mentor. Is that something that could be considered? And I think a lot of times that is an option that people don't explore much because the traditionally you're thinking well that that successor generation has to work off the farm and on the farm.

**14:10 E Ritchie**

How can farmers ensure they're preparing their operation for long term success beyond just the next generation?

**14:18 J Kirkpatrick**

The big one, I would say, is managing their debt wisely. I mean, I'm not saying not be debt free because for especially big firms that perhaps not something that's feasible. Right, there's probably gonna be some debt. And if you can, if you can manage debt to your advantage- like I see people who are very debt averse, and we don't see those farms grow. So, I think it's sort of that sweet spot of not too much debt versus no debt, just kind of being right in the middle and making sure that that debt is debt that really helps the farm continue and move forward.

**14:50 J Kirkpatrick**

So, I think that really it kind of goes back to that back to that financial analysis of is this farm, is this business one that has a really good financial footing for those next generations? And if an owner generation can not only help that footing but also teach the next generation that that financial management is a priority as well because you know people don't usually get into farming because they love pushing pencils and doing the calculations. They like it because they're working in the fields, they like machinery they like animals, they like that really physical doing part of farming. And I get that.

**15:28 J Kirkpatrick**

Understand that is the draw to it and as we move forward, the ones that are going to be successful also understand that the farm, the business management piece very much has to go along with that.

**15:41 E Ritchie**

Like you said, you don't want to pass on the mental stress of farm to the next generation and so part of that it's like while you're planning your own succession to kind of start thinking about the succession of your successor as well, because that succession planning piece can be just one more thing about farming that's stressful.

**16:05 E Ritchie**

What steps can farmers take to start building a succession plan if they haven't yet begun the process?

**16:12 J Kirkpatrick**

We do have a workbook on our website that's called cultivating your farm's future that does kind of give worksheets that help people think about where are you now and where do you want to be so that that can mostly those worksheets are to start conversations and that could be also a start of just looking at some of the resources that are available on our website or on other websites that are working around this area. The other piece I will emphasize as well is, I don't think people realize how valuable it can be to have someone be a facilitator in those conversations who's not related to you. Thinking about if that would be helpful and thinking and thinking about who could that be?

**16:51 E Ritchie**

Farm succession planning is critical for the sustainability of farm families and significantly impacts farmer health and well-being. This process involves preparing the next generation to take over the farm, ensuring that the transition is smooth, and that the family's values and traditions are maintained.

Effective succession planning helps reduce stress and anxiety among farmers by providing clarity about their future. It fosters open communication within families, which can strengthen relationships and reduce conflicts. Having a clear plan can alleviate financial uncertainties, allowing farmers to focus on their health and the well-being of their families.

Successful succession planning ensures the continuity of the farm, which is vital for the economic stability of the family. When farmers feel secure about their legacy and the future of their operations, they are more likely to invest in their health and seek out resources that promote their overall well-being. In summary, farm succession planning is intricately linked to family dynamics and farmer health, enhancing both the emotional and economic aspects of farm life.

#### 18:06 E Ritchie

You can check out the succession planning materials that Joy mentioned during our conversation in the resources for this episode. Those links include the link to the “Cultivating Your Farm’s Future Program” webpage as well as a succession planning workbook.

#### 18:32 E Ritchie

For this episode on succession planning, I want to encourage you to seek professional guidance. You shouldn’t hesitate to reach out for help. Consultants, agricultural extension services, and succession planning specialists can provide valuable insights and resources. You can start the process of thinking through your succession plan by going through the workbook for farm succession planning included in the resources.

We know that planning for the future of the farm is no small task—it’s a complex, emotional, and sometimes stressful process. But it’s also a crucial one for ensuring that the hard work and legacy of the farm continue for generations to come. It’s okay to feel the weight of these decisions, but it’s also important to seek support, have open conversations, and take steps to manage the mental and emotional aspects of succession planning, and you don’t have to do it alone.

#### 19:27 E Ritchie

Listen in on the *FarmSafe* podcast to join in on the conversation about keeping safe on the farm.

We want to hear from you. Share your stories about health and safety issues on the farm, about injuries that made you change the way you work, or about the ways you keep yourself and others safe on your farm. Also let us know if there’s questions you have or topics that you want to hear about on the air. You can visit our website, [gpcah.org](http://gpcah.org), or email us.

Original music for the FarmSafe podcast was written and performed by Ben Schmidt.

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## Episode Resources

- [Cultivating Your Farm’s Future Program](#), University of Wisconsin-Madison, Farm Management Division of Extension Webpage
- [Cultivating Your Farm’s Future: Workbook for Farm Succession Planning](#), University of Wisconsin-Madison, Farm Management Division of Extension Webpage
- [Farm Succession Planning – Conversations to Strengthen Farm & Family](#), Penn State Extension (Kaplan M, Becker J, Nussbaum J, O’Sullivan A)
- [“Farm Succession Planning with Jennifer Wetzel of Mette, Evans, and Woodside Attorneys At Law”](#), Farm Stress Real Talk with Penn State Extension [Podcast Episode]
- [“Real Talk: Farm Succession Planning”](#), Penn State Extension, Jill Varner [Article]

## Photo

